

News On the Move

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Homebuyer Tax Credit Changes

Congress has extended and expanded the homebuyer tax credit. The modification in the column labeled Dec 1-April 30, 2010 became effective when President Obama signed the bill November 6. The following was forwarded to me by John Adams Mortgage, my in-house loan company.

FEATURE	Jan 1 – November 30, 2009 Rules as enacted February 2009	December 1 – April 30, 2010 Rules as enacted November 2009
First-time Buyer - Amount of Credit	\$8000 (\$4000 married filing separate)	\$8000 (\$4000 married filing separate)
First-time Buyer - Definition for Eligibility	May not have had an interest in a principal residence for 3 years prior to purchase	Same
Current Homeowner - Amount of Credit	No Provision	\$6500 (\$3250 married filing separate)
Effective Date - Current Owner	No Provision	Date of Enactment
Current Homeowner - Definition for Eligibility	No Provision	Must have used the home sold or being sold as a principal residence consecutively for 5 of the previous 8 years
Termination of Credit	Purchases after November 30, 2009. (Becomes April 30, 2010 on Date of Enactment.)	Purchases after April 30, 2010
Binding Contract Rule	None	So long as a written binding contract to purchase is in effect on April 30, 2010, the purchaser will have until July 1, 2010 to close.
Income Limits (Note: Increased income limits are effective as of date of enactment of bill)	\$75,000 - single \$150,000 - married Additional \$20,000 phase out	\$125,000 - single \$225,000 - married Additional \$20,000 phase out
Limitation on Cost of Purchased Home	None	\$800,000 Effective Date of Enactment
Purchase by a Dependent	No Provision	Ineligible Effective Date of Enactment
Anti-fraud Rule	None	Purchaser must attach documentation of purchase to tax return

Market Update

Overall good trends continue; inventories are falling and home sales are rising. For the first time, homes above the \$100,000 level are starting to sell, however, not to a degree to cause home value appreciation. Real home values still fell in October and will continue to do so for the near future; but we are moving in the right direction. Median price increases we are seeing are a result of fewer low priced bank owned properties. This forces slightly higher priced, non-bank homes to sell, not a true value increase.

The Home Buyer Tax Credit has been extended for first time home buyers and there is an added tax credit of up to \$6,500 (10%) for all other home buyers, as long as they have lived in their current home for five consecutive years of the last eight years. For both credits, income maximums are raised to \$125,000 for single and \$225,000 for joint and the maximum home value is \$800,000.

How will this impact the market? A credit for the move up buyer is important, since at some point the first time home buyer wave will slow down and without the move up buyers participating, any housing recovery will stall. It is difficult to quantify how many homes have been sold directly as a result of the incentive, but most peg it at a 20-25% increase in first time buyer sales. It is expected that the \$6,500, "everybody" credit will be less effective both because the amount is less and because a move-up buyer requires equity in their current home to make the move, which many do not have. Nonetheless; it could give an approximate 5-7% boost to move up home sales which could add up to 2,000 to 2,500 more move up sales in 2010 for our market.

Here are the numbers of October, one of our best since peak 2005 activity levels.

[October Market Summary](#)

Foreclosure Rates in Southeast Michigan

This is an interesting article from the Detroit Free Press last week regarding foreclosure rates in Oakland County. I'm not trying to depress anyone during the Holiday season, but I feel many of you will be surprised to see how well your communities are holding up during tough economic times.

Note: Foreclosure rates are calculated by ZIP code and represents 1 foreclosure per X number of households. For example, the rate in ZIP code 48205 is 1 for ever 5.23 households.

City	ZIP Code	Bank Repossessions Jan '06-'09	Foreclosure Rate
Berkley	48072	255	26.8
Birmingham	48072	488	19.94
Bloomfield Hills	48301	169	34.53
Bloomfield Hills	48302	308	21.56
Bloomfield Hills	48304	299	23.16
Clarkston	48346	402	23.48
Clarkston	48348	470	14.84
Clawson	48017	221	26.13
Commerce	48382	469	14.56
Farmington	48331	317	27.04
Farmington	48334	377	20..99
Farmington	48335	164	67.57
Farmington	48336	573	20.15
Ferndale	48220	794	14.4
Franklin	48025	185	31.49
Huntington Woods	48070	51	47.31
Keego Harbor	48320	136	15.68
Milford	48380	94	21.56
Milford	48381	189	24.41
Novi	48374	231	15.88
Novi	48375	251	34.12
Novi	48377	206	27.7
Oak Park	48237	1048	12.3
Oakland	48363	82	20.35
Pleasant Ridge	48069	16	65.25
Pontiac	48340	1073	9.56
Rochester	48306	344	23.4
Rochester	48307	626	26.46
Rochester	48309	353	30.26
Royal Oak	48067	467	27.01
Royal Oak	48073	497	34.69
South Lyon	48178	398	23.37

How to Help Your Agent Build a Winning Sales Strategy

Communicating with your real estate agent is the key to developing a winning strategy to show your property in the best possible light.

The following tips might help you avoid frustration and increase the odds of a successful showing:

Be Honest: The first step is to be completely honest with your agent. Make sure the agent knows about the benefits and pitfalls of the property in advance, including needed repairs and deferred maintenance.

Get Organized: The more information about the property you can provide, the better. Make a list of all past repairs, warranties that may still be in effect, improvements made to the property, and what is included or excluded in the sale. Copies of receipts, warranty documents and other paperwork give your agent a great head start.

Set a Schedule: Let the agent know the appropriate times for showing the home, as well as any other instructions. Notify agents of special situations well in advance, especially concerning pets or other important matters.

Knowledge and Network: Your agent is an expert in the local real estate community, so use him or her to your advantage. Allow the agent to develop a marketing plan and use local resources that maximize the appeal of your property. Likewise, ask the agent's opinion about service providers and other vendors who may assist in the process of selling or purchasing property.

Ways to Figure Out If a Fixer-Upper Is Worth It

Deciding whether to purchase a fixer-upper or go with a home in need of fewer repairs isn't always simple. The following information can help you calculate the true cost of purchasing a fixer:

Supplies, Labor and Time: Whether you do the job yourself or hire outside labor, repairs and renovations are notorious for costing more than you planned. If the home can't be lived in while repairs are made, the additional cost of covering the mortgage, taxes and insurance while the home is vacant can also substantially add to the total cost.

Taxes and Insurance: Improvements often add to the cost of property taxes and insurance, so be sure to consider the

long-term consequences. Properly performed repairs and renovations may help or hurt property tax values and homeowner insurance costs. It's a good idea to get an estimate in advance. On the other hand, hiring outside crews to perform needed repairs can result in a tax write-off for investment properties.

Long-Term Profit Potential: Repairs and renovations can make your home more valuable, but only if the surrounding area is desirable. Whether investing for long-term appreciation or cash flow, carefully evaluate the desirability of the neighborhood.

Financing: Lenders often have different rates and requirements for properties in need of repair. Find out in

advance if you are eligible for special funding, grants or tax incentives, especially when working with affordable housing options or first-time homebuyer programs.

Building Codes and Zoning: It is imperative to understand local building codes and zoning regulations before purchasing a fixer-upper. Never assume you can modify a structure without considering the building code. Likewise, zoning may dramatically alter the ability to use a property in a specific manner or make certain changes or additions. It's just one more reason it's more important than ever to work closely with your agent when purchasing a fixer-upper.

How to Check Your Internet Speed

In today's hectic world, being stuck in the slow lane of the information highway is no fun at all.

If you find your Internet connection is moving at a crawl, there are a couple of websites that can help you figure out your upload and download bandwidth.

www.Speed.io - An easy-to-use website that includes ping time, number of connections made per minute and other useful diagnostics.

www.Speakeasy.net - Another super-simple speed test that takes less than a minute.

Either site will enable you to compare your Internet connection rate to others in your area. Remember, uploads and downloads differ dramatically based upon the type of connection, geographical area and surrounding usage patterns.

Commonly cited performance winners range from 5.5 megabits per second to more than seven megabits per second for downloads and slightly less for uploads.

If you discover that your connection is lacking, contact your Internet service provider.

Wondering How Much Your Home Is Worth?

How has the price of your home changed in today's market? How much are other homes in your neighborhood selling for?

If you're wondering what's happening to prices in your area, or you're thinking about selling your house, I'll be able to help. Just give my office a call for a no-fuss, professional evaluation.

I won't try to push you into listing with me or waste your time.

I'll just give you the honest facts about your home and its value.

And maybe I'll also give you the "inside scoop" on what's happening in the housing market near where you live!

Just give my office a call at 248-644-6700 to arrange an appointment.

Alternatively, stop by at the office. The address is on the back page of this newsletter.

Ask the Agent: This Month's Question

As a real estate agent, you've probably seen lots of people move homes. Any tips for me as the big day draws near?

Decide what not to pack: Now's a good time to declutter your life by deciding which items you don't want to take with you. Decide what you want to give away, throw away, or sell.

Draw a floor plan and use labels: Create a plan of your new home that you can use as a guide throughout the moving process. Label each of your boxes according to this plan. List what's in each of the boxes.

What to pack first: Pack things you don't need often first. Books, out-of-season clothes, and memorabilia make good candidates to go into boxes right away.

Pack "essentials" boxes: Mark some boxes as "essentials" and put in them the things you need on your first night in your new home. Then you won't waste time (and valuable energy) trying to find important items.

Piper and Tucker's Pawspace!

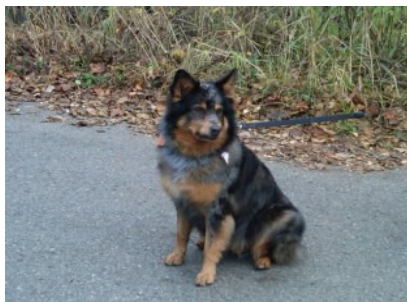
Piper and Tucker
can't wait for the snow!



Winter is all about
cuddling up and staying
cozy like our friend Argyle!



Brandy from Franklin, our
newest
furry friend!



*Wishing Everyone a
Safe and Happy
Holiday Season!*

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Winter-Spiced Molten Chocolate Cake

With Rum-Ginger Ice Cream

Looking for the perfect holiday treat? This is one of my favorites! It was also featured as Bon Appetite's cover recipe. This warm, chocolate and spicy dessert is perfect for parties because it can be put together the day before and then quickly baked before serving, for the all-important "ooze-factor." Let the holiday season begin!

Makes 8

Ice Cream

- 1 pint vanilla ice cream, softened
- 2 tablespoons chopped crystallized ginger
- 1 tablespoon dark rum

Cakes

- 14 ounces bittersweet (not unsweetened) or semisweet chocolate, chopped
- 2 1/2 sticks unsalted butter
- 2 teaspoons ground coriander
- 2 teaspoons ground cardamom
- 1 teaspoon ground cinnamon
- 1/2 teaspoon ground cloves
- 1/2 teaspoon ground white pepper
- 6 large eggs
- 6 large egg yolks
- 2 teaspoons vanilla extract
- 3 cups powdered sugar
- 1 cup all purpose flour

Additional powdered sugar
Crystallized ginger strips

For Ice Cream:

Place softened ice cream in medium bowl. Using plastic spatula, fold ginger and rum into ice cream. Transfer to airtight container. Freeze ice cream mixture until firm, about 4 hours. (Can be made 1 day ahead. Keep frozen.)

For Cakes:

Generously butter eight 3/4-cup soufflé dishes. Stir chocolate, butter, coriander, cardamom, cinnamon, cloves, and white pepper in heavy medium saucepan over low heat until melted and smooth. Cool slightly. Whisk eggs, egg yolks, and vanilla in large bowl to blend. Whisk in 3 cups powdered sugar, then chocolate mixture, then flour. Transfer batter to prepared dishes, filling the top and dividing equally. (Can be made 1 day ahead. Cover and refrigerate.)

Preheat oven to 425° F. Bake cakes until batter has risen above dish, top edges are dark brown, and centers are still soft and runny, about 15 minutes, or about 18 minutes for refrigerated batter. Run small knife around cake to loosen. Let cool for 5 minutes. Dust with powdered sugar and top with crystallized ginger. Serve cakes with rum-ginger ice cream.

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Thanks for reading! If you'd like to tell me what you think about this newsletter, or if you're thinking of buying or selling real estate, please get in touch.

